

451 – UTILITY SAMPLING AND RENT SCHEDULE POLICY

This policy provides guidance regarding the sampling of utility bills, the completion of the utility allowance calculations, and the compilation of the annual rent schedule. All developments, except Section 8 developments complete this process in conjunction with the annual budget submission. The following topics will be covered:

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Utility Allowances Overview

An annual review of utility bills paid by residents helps provide a reasonable allowance to development residents for the potential costs of monthly utilities. This process should be performed at the same time as the annual analysis of rents to determine if a rent increase/decrease will occur for the upcoming year. The updating of utility allowances may also affect the rent amounts and thus the total gross rent potential earned for budgeting purposes.

Utility Allowance information (calculations or approved amounts) must be submitted with the development's annual budget submission for all MSHDA programs, *except Section 8*. To prepare for the annual sampling requests, an "Authorization to Release Utility Data" should be included with each residents initial lease signing and each lease renewal. See Attachment 1 for sample Authorization to Release Utility Data form.

Utility Submission Timeline

The timeline for submitting utility updates varies based on the program involved, but breaks into two due dates:

- Section 236, including Section 236 decoupled and Section 236 with Tax Credits and MSHDA/American Recovery & Reinvestment Act (ARRA)-financed developments: Due at the time the development budget is due.
- Section 8 developments – Due 90 days prior to their HAP anniversary date to the **Quality Assurance Analyst** (Andrew Uzzle), not to their assigned Asset Manager.

If submitted and approved timely and 30 days notice of any rent increase has been provided to the residents, the approved utility allowances and rent schedules become effective on:

- **January 1st** – For all programs, except Section 8 and Section 8 preservation pass-through developments, implement utility allowance changes on January 1st or for MSHDA programs when the new rents are implemented.
- **On HAP anniversary date** – For Section 8 developments only (including section 8 preservation pass-through & Section 8 paid-off developments), implement utility allowance changes on the HAP anniversary date.

Utility Submission Requirements

Under the Utility Sampling Form Instructions section of this policy is a more detailed description of the submission forms. When updating or providing verification of a development's utility allowance, the following information must be submitted:

1. **Utility Allowance Calculation Form – Summary** – Provide an electronic and paper copy.
2. **Electric-Family, Electric-Elderly, Gas-Family, Gas-Elderly Tabs** – Provide an electronic copy only.
3. **Owner's Utility Certification** to MSHDA - Provide an electronic and **signed** paper copy.
 - *For all MSHDA program, Moderate, 80/20, 70/30, Taxable Bond, 1% Tax-Exempt, TEAM and Neighborhood Preservation Program development* – use the MSHDA Mgmt 451C2 form.
 - *For Section 236 Developments, including Section 236 decoupled and Section 236 with Tax Credits* – use the MSHDA Mgmt 451C1 form. **Note:** The Owner Certification must be dated 30 days after the Posting Letter date.

- *For Section 8 Developments*, including Section 8 Preservation Pass-Thru and Paid off Developments – Use the MSHDA mgmt 451C2 form. **Note:** The Owner Certification must be dated 30 days after the Posting Letter date.
4. **Rent Schedule** – Provide an electronic and paper copy of the appropriate schedule.
 5. **Copies of Resident Utility Invoices** used in the sampling calculations - *For Section 8 developments only*. Note: the last month of the bills sampled must occur within 6 months of the submission date. For example, if a development has a HAP anniversary date of September 1st and submits the utility update request by the June 1st deadline, then the utility bills sampled must include at least the December utility bills of the previous year to be a valid sampling.
 6. **Notice to Request Increase in Maximum Permissible Rents** – (MSHDA Mgmt 451A1): *For Section 236 developments only*. If applicable, provide a copy of the notice to residents regarding any pending rent increase and/or utility decrease.
 7. **Notice to Request to Decrease Utility Allowances** – (MSHDA Mgmt 451A2): *For Section 8 developments only*. If applicable, provide a copy of the notice to residents regarding any pending rent increase.
 8. **Resident Comments** – *For Section 236 and Section 8 developments only*. If applicable, provide a copy of resident comments regarding a pending rent increase or utility allowance decrease and the Owner or Agent's evaluation of the comments.
 9. **Verification of PHA Utility rates** – *For all developments with Project Based vouchers*. Project Based Vouchers (PBV) use the administering Public Housing Agency's (PHA) published utility rate for each PBV designated unit. If the PBV is administered by a state or local PHA, then submit verification of the PHA's published utility rates.
 10. **Verification of Rural Development (RD) Utility rates** – *For all developments with RD funded units*. Developments with RD funding use RD rental rates and utilities. Submit verification of RD's approved rental rates and utilities for the RD units.

Utility Sampling Process

The Budget workbook (customized for each management agent) includes four (4) worksheets for entering utility bill information, along with a summary worksheet and a Utility certification form. The following requirements must be met **for each unit type**:

- Collect a sample of gas and/or electric bills on the greater of 5 units or 25% of the units.
- If there are five (5) units or less, collect a sample of 100% of the units.
- Units without 12 full consecutive months of occupancy sampling data are not eligible to be included in the sampling calculation.
- Samples for all units must be within the same date range.
- Request a greater than 25% sampling of units from the utility company. This allows a buffer between the collected samples and the required sample size in case some samples do not meet the sampling requirements, such as not receiving a full twelve months data on an individual unit in the sample.
- Retain the 25% sampling of gas and/or electric **resident utility invoices** from the utility companies at the development for Auditor or Asset Manager (AM) review. *Section 8, including Section 8 preservation pass-through & Section 8 Paid-off developments must submit a copy of the resident utility invoices with their utility allowance update paperwork for approval.*

Other questions which have arisen relating to utility sampling are:

- Bills less than a \$1 must be included in the sampling as at least \$1/month. If a monthly billing amount on an *occupied* unit is \$0 or a credit is received, insert \$1 in the month and then subtract the \$1 (plus the credit amount, if there was a credit) from another month's billing amount of the same resident in order maintain the same annual average.
- Different units within a unit type may be used for electric sampling than the units used for gas sampling as long as the 25% sampling is achieved for each unit type.
- Employee units may be used as part of the sampled units for the calculation.
- If the sample size for a specific unit type does not meet the minimum sample size required (25%, 5 units, or a 100% sampling for 1 to 4 units), the previous year's utility allowance will be used.
- Project-Based Voucher units may be used when sampling utilities, regardless of the requirement that all project based voucher units must use the PHA allowance when determining the rent limit on the units.
- Consumers Energy resident billing information can be obtained by contacting Janice Baird at jabaird@cmsenergy.com.

Utility Allowance (UA) Calculations

The worksheet adds up each resident's full twelve months of bills and generates a monthly average rate. A standard deviation is generated based on all the average billing amounts. Any average billing amount outside of the standard deviation is dropped from the total utility sampling amount and an average of the monthly billing amounts within the standard deviation range is generated. Multiple monthly averages could be dropped from the final utility allowance calculation. Below are the individual program calculation requirements:

Section 236 UA Calculation

This includes Section 236 de-coupled and Section 236 with tax credit developments.

- If the utility allowances resulting from the sampling increase by any amount, the utility allowances must be revised. The AM will notify the Agent/Owner of the approved utility allowances in the budget approval letter.
- If the utility allowances resulting from the sampling decrease by any amount, the utility allowances must be revised and the residents must be given a 30-day advance written notice and the ability to comment on the utility decrease, which may generate an increase in the tenant portion of the rent. The AM will notify the Agent/Owner of the approved utility allowances in the budget approval letter.
 - Notice to Residents – Follow the CFR 245.15 for proper posting and delivery requirements. The development may use the completed MSHDA mgmt 451A1 form identifying the proposed utility allowance decreases and/or rent increases at the property to inform the residents of the changes requested. This notice to the tenants must occur prior to September 30th.

Section 8 UA Calculation

This includes Section 8 Preservation Pass-Through developments & Section 8 paid-off developments.

- If the utility allowances resulting from the sampling increase by any amount, the utility allowances must be revised. The Quality Assurance Analyst, Andrew Uzzle will notify the Agent/Owner of the approved utility allowances in the rent schedule approval letter.
- If the utility allowances resulting from the sampling decrease by any amount, the utility allowances must be revised, and the residents must be given a 30-day advance written notice and the ability to comment on any proposed utility allowance decrease for all units at the property. This notice must occur 30 days prior to the utility change submission date.
 - Notice to Residents – Follow the CFR 245.15 for proper posting and delivery requirements. The development may use the completed MSHDA mgmt 451A2 form identifying the proposed utility allowance decrease at the property to inform the

residents of the changes requested. This notice to the tenants must occur 30 days prior to submission.

MSHDA Programs UA Calculation

This includes 80/20, 70/30, Taxable Bond, TEAM, 1% Tax- Exempt, and NPP Developments.

- If the utility allowance resulting from the sampling increases or decreases by any amount, the utility allowances must be revised and the residents must be given a 30-day advance written notice of any rent increase. The AM will notify the Agent/Owner of the approved utility allowances in the budget approval letter.

Utility Sampling Form Instructions

Summary Tab – Enter the following fields:

Name of Electric Co: Identify what utility company supplies electricity to the development residents.

Name of Gas Co: Identify what utility company supplies gas to the development residents.

Elec. (Electric) Rate: Identify the electric rate used to calculate the billing amounts. Only important if consumption data is used to generate the billing amount.

Service Chg (Charge): Identify the service charge used to calculate the billing amounts. Only important if consumption data is used to generate the billing amount.

Gas Rate: Identify the gas rate used to calculate the billing amounts. Only important if consumption data is used to generate the billing amount.

Commodity Chg (Charge): Identify the commodity charge used to calculate the billing amounts. Only important if consumption data is used to generate the billing amount.

12-month Sample Period: Identify the months used for sampling the electric and gas bills.

Effective Date: Identify the date, which the new utility allowances become effective.

Number of Units: Identify the unit mix breakdown for the development under both the electric and gas tables. The numbers of units are used to generate the sampling size and set the minimum amount of billing samples required in order for the utility sampling tabs to generate an average dollar/unit/month amount. The total number of units entered for all the unit types must equal the total number of units at the development regardless of the number of units actually subsidized.

Current Utility Allowance: Enter the amount of the current utility allowance amount.

Electric-Family, Electric-Elderly, Gas-Family, Gas-Elderly Tabs - Under each of the unit types identified on the Summary tab, Number of units fields, enter a complete 12 months of billing data for at least the required number of units identified in the “25% of Total Units.” The sampling tabs will accept more than the sample size units designated, if more than the required number of units were sampled. Enter the following fields for each sample unit:

Unit # or Address: Identify the sample resident’s unit location (number of address).

Current Tenant Name: Identify the sample resident’s name.

Mo 1 through Mo 12: Identify the billing amount for each of the 12 months sampled.

Along the top of each utility sampling tab is a summary of the totals and averages generated by the utility samples entered.

Certification Tab – The required form for the “Owner Utility Certification to MSHDA” tab appears based on the development selected on the summary tab, cell E3. Complete the following fields, which may appear as data entry fields on the development’s owner utility certification:

Rent Increase Effective: Enter the date when the rent change becomes effective.

HUD Project #: Identify the HUD Project Number of the development, if applicable.

Location: Identify the address of the development.

Name: Type the name of the owner (signer).

*Print and sign the form for the hard copy submission to MSHDA.

Governing Regulations

The specific regulations governing utility rate adjustments are identified below:

- Section 8: CFR* 880.610; CFR 245.10; CFR 245.405(a); CFR 245.410; CFR 245.415; and CFR 245.425
- Section 236: CFR 245.10; CFR 245.310; CFR 245.330; CFR 405(a); CFR 245.410; CFR 245.415; CFR 245.425; and 245.435 (non-insured projects).
- MSHDA Programs (LIHTC): <http://edocket.access.gpo.gov/2008/pdf/E8-17268.pdf> - IRS Regulations Section 42 updated July 29, 2008.

* CFR means Code of Federal Regulations

Rent Schedule Instructions

When determining rents for the upcoming year, consider the following questions to decide whether the development rent can increase:

- Can the rental market absorb a rental increase? How much?
- Will the vacancy loss increase or decrease? What is the past trend?
- Does the development have a waiting list of eligible applicants?
- Have the rents historically been kept substantially lower than comparable housing? Why? Should the rents continue the trend?
- What is the current financial condition of the development?
- Is the development financially on track with the current year’s budget? Are there any anticipated changes in expenses in the upcoming year?
- Is the development able to fund long-term reserves such as replacement reserves?
- Can the development perform repairs as required by the MSHDA Annual Physical

- Inspection and/or the CNA?
- Has the owner been informed and provided input on the intended rent adjustments?

Rent Limits

Completing the rent schedule requires close attention to the limits placed on rents by the governing documents, such as the regulatory agreement, tax credit agreements, and program rules.

Rent limits can be found on the MSHDA website at the following link:
http://www.michigan.gov/mshda/0,1607,7-141-8002_26576_26582-76409--,00.html.

Determining the Rent Limits – The rent limits are defined within each development’s Regulatory Agreement. Follow the steps below to help determine the proper rent limits for the development:

1. Find the ‘Rental Restrictions’ (not the Qualifications based on Income) defined in the Regulatory Agreement.
2. Review the website above to find the correct rent limit schedule.
3. Open the Rent Limit schedule and find the county in which development resides.
4. If the Regulatory Agreement contains:
 - Similar language to “...assuming occupancy of one and one-half persons per bedroom...” then reference the “By Bedroom” section of the rent limits schedule to determine the rent limits for the specified unit type.
 - Similar language to “...assuming occupancy of one person per bedroom...” then reference the “By Size” section of the rent limits schedule to determine the rent limits for the specified unit type.
 - No language regarding the occupancy, then refer to the year the mortgage originated.
 - Developments originating in 1996 and prior would have been required to employ the “By Size” schedule for rent limits unless otherwise stated in the regulatory agreement.
 - Developments originating in 1997 and later are required to employ the “By Bedroom” schedule for rent limits unless otherwise stated in the regulatory agreement.
 - Housing Development Action Grant (HODAG) language, then the rent limits are set by the municipality, which provides the HODAG.

The following tips will also help when completing the rent schedule:

- The maximum rent limits are the maximum gross rent a household may pay for rent and utilities combined for a specific rental unit type.
- Always use the most restrictive rents when multiple programs must be enforced at a development. For example, a unit is funded by both LIHTC and HOME funds, the

LIHTC rent limit equals \$600 and the HOME limit equals \$500. Use the HOME rent limit for this unit.

- HOME units should be separated from similar units to identify the proper application of rent limits for each unit type and the total number of HOME units at the development.
- If you are unsure of what rents apply, review the regulatory and/or other controlling document where rent limits are established. If you are still unsure talk with the assigned Asset Manager or a Tax Credit representative from the Authority.
- Project-Based Voucher units should be separate from other similar units on the rent schedule, because the rents and utility allowances will be issued by the Public Housing Agency (PHA) administering the project based vouchers.
- Rural Development (RD) funded units must be separated out on the rent schedule, because the rents and utilities are issued by the United States Department of Agriculture – Rural Development (USDA-RD).
- A subsidy amount paid by a PHA may be allowed to exceed the rent limit reflected on the rent schedule.
- Project-based and tenant based vouchers can exceed the LIHTC rent limit as long as some portion of subsidy is being paid on the specified unit.
- Tenant-based vouchers cannot exceed the HOME rent limits. Enhanced or “sticky” vouchers are considered tenant-based vouchers.
- Project based vouchers (subsidy amount) can exceed the HOME rent limit, if the tenant’s rent portion does not exceed the HOME rent limit.
- Project-based and Tenant-based voucher households always use the PHA utility allowance amounts. MSHDA’s PHA issued utility allowance can be found at the following links:
 - Region 1: http://mshdahousing.org/ppm_appendix/UtilityModel_2011_2012_Region1.pdf
 - Region 2: http://mshdahousing.org/ppm_appendix/UtilityModel_2011_2012_Region2.pdf
 - Region 3: http://mshdahousing.org/ppm_appendix/UtilityModel_2011_2012_Region3.pdf
 - Region 4: http://mshdahousing.org/ppm_appendix/UtilityModel_2011_2012_Region4.pdf
 - Region 5: http://mshdahousing.org/ppm_appendix/UtilityModel_2011_2012_Region5.pdf
 - Region 6: http://mshdahousing.org/ppm_appendix/UtilityModel_2011_2012_Region6.pdf
 - Region 7: http://mshdahousing.org/ppm_appendix/UtilityModel_2011_2012_Region7.pdf

Rent Increases at Section 236 Developments

If an increase is planned at a Section 236 development, follow the notification and request for approval process identified under the Utility Allowance (UA) Calculations, Section 236 UA Calculations section of this policy.

Rent Schedule Tab

The required rent schedule tab appears based on the development selected on the Summary tab, cell E3. Complete the rent schedule to present the desired rents for the upcoming year and project the annual rent potential to be used during the budget process.

Each rent schedule calculates the monthly and annual rent potential for the various units at a development. All units should be included on each rent schedule that will be used for budget purposes. This guarantees the maximum gross rent potential is accurate before accounting for reductions in income due to Loss to Lease, Vacancy Loss, Non-Rental Unit, Bad Debt/Former Resident, and Market Concessions.

Section 236 Rent Schedules – The schedule automatically calculates Market Rate Rent Ratio and uses the basic rent to determine the gross rent potential. The Gross Rent Potential calculation multiplies the basic rent by the number of units for each unit type and if moderate units exist, multiplies the moderate units by the number of units for each moderate unit type and adds this product to the total.

Section 236 Definitions –

Basic Rent – The lowest rent rate that can be charged in order to maintain operations.

Market Rent – Basic Rent times the Market Rent Ratio. The highest rent rate that can be charged and remain within the highest HUD determined rent for the area in which development resides.

Market Rent Ratio – Total annual basic rent potential plus the annual interest reduction subsidy divided by the total basic rent potential. The product of the equation should be carried out to four decimal places (.0000).

Complete the following highlighted fields on the Section 236 rent schedule:

Total ACC Units: Enter the number of units covered by an Annual Contributions Contract.

HUD Contract/Project #: Enter the HUD designated number for the development.

Owner: Enter the name of the development owner.

Rent Effective Date: Enter the begin date of the rents entered on the rent schedule.

Rent Restriction (based on 1.5 per bedroom): Enter “Yes” if the rent limits are based on one and one-half persons per bedroom, otherwise enter “No”.

Annual Interest Reduction Subsidy: Enter the total interest reduction subsidy amount for the year.

Market Rate Rent Ratio: This field should auto fill as you complete the rent schedule. The calculation for this field can be found in the definitions.

For each unit type, enter the following fields to generate the total annual Gross Rent Potential:

Bedroom #/Size: Enter the number of bedrooms in the specified unit.

Units: Enter the number of units at the development with the designated unit size and rent amount.

Basic Rent: Enter the basic rent amount from the prior year's approved rent schedule.

Market Rent: Enter the market rent amount from the prior year's approved rent schedule.

Utility Allowance: Enter the current utility allowance allocated to the unit type. This should match the utility amount on the previous year's approved rent schedule.

Basic Rent Increase: Enter the amount requested for the upcoming year's increase to basic rent.

Maximum County Gross: Enter the maximum gross rent amount allowed in the county for the identified unit.

Utility Allowance: Enter the newly calculated utility allowance for the upcoming budget year.

For each Moderate unit types, enter the following fields to generate the total Gross Rent Potential:

Bedroom #/Size: Enter the number of bedrooms in the specified unit.

Units: Enter the number of units at the development with the designated unit size and rent amount.

Moderate Rent: Enter the moderate rent from the prior year's approved rent schedule.

Moderate Rent Increase: Enter the requested amount for the upcoming year's increase to the moderate rent rate.

Section 8 Rent Schedules – Occasionally, Section 8 developments have set aside units which are not part of the ACC units. These units should be included on the rent schedule, but the rent amounts should not be completed and added into the rent potential calculation. The Gross Rent Potential calculation multiplies the contract rent entered by the number of units for each unit type and if moderate units exist, multiplies the moderate units by the number of units for each moderate unit type and adds this product to the total.

Complete the following highlighted fields on the Section 8 rent schedule:

Bedroom #/Size: Enter the number of bedrooms in the specified unit.

Unit Type: Enter the type of unit; in most cases this may be copied from the previous year's rent schedule. Unit type definitions:

- E2/E3 – Elderly Mid-rise Apartments,
- E5 – Elderly High-rise,
- AE – Apartment Elderly,
- AW – Apartment Walkup,
- SD – semi-detached,
- TH – Townhouse,
- H – handicap/disabled,
- MR – Mentally disabled.

Units: Enter the number of units at the development with the designated unit size and rent restriction percentage and rent amount.

Rent: Enter the new annual rent amount requested.

Utility Allowance: Enter the newly calculated utility allowance for the upcoming year.

For each Moderate unit types, enter the following fields to generate the total Gross Rent Potential:

Bedroom #/Size: Enter the number of bedrooms in the specified unit.

Unit Type: Enter the type of unit units at the development with the designated unit size and rent amount.

Moderate Rent: Enter the moderate rent from the prior year's approved rent schedule.

Moderate Rent Increase: Enter the requested amount for the upcoming year's increase to the moderate rent rate.

MSHDA/ARRA-Financed Rent Schedules – Review the development's Regulatory Agreement before implementing any rent increases. The Regulatory Agreements generally state that the current residents cannot receive a rent increase over 5%. Vacant unit rents can be increased by more than 5% if the market can bear the increase and if the rent increase does not conflict with any program rent restrictions. Provide detailed notes regarding the gross rent calculation with all budget submissions. The Gross Rent Potential calculation multiplies the contract rent entered by the number of units for each unit type. Resident-based subsidies are included as part of this calculation, since the resident based subsidy supplement individual's rent payments. Development based subsidies and subsidy grants which support the development operations are not included in the Gross Rent Potential calculation.

Complete the following highlighted fields on the rent schedule:

Rent Restriction (based on # in household): Enter "Yes" if the rent limits are based on one person per bedroom, otherwise enter "No".

Rent Restriction (based on 1.5 per bdrm): Enter "Yes" if the rent limits are based on one and one-half persons per bedroom, otherwise enter "No".

For each unit type, enter the following fields to generate the total annual Gross Rent Potential:

Bedroom #/Size: Enter the number of bedrooms in the specified unit.

Units: Enter the number of units at the development with the designated unit size and rent restriction percentage and rent amount.

Rent Restrict %/Unit Type: Enter the rent restriction percentage, i.e. 30, 40, 50, or 60. Identify the unit type, such as HOME (HH – high HOME, LH – low HOME), PBV, etc.

2011 Rent: Enter the current rent being charged for the unit. This should match the amount on the previous year's rent schedule.

Utility Allowance: Enter the current utility allowance allocated to the unit type. This should match the utility amount on the previous year's rent schedule.

Rent Increase: Enter the amount of any rent increase planned for the upcoming budget year.

Max County Gross Rent: Enter the current rent limit designated for the specified unit type. Rent limits are posted on the MSHDA website at:
http://www.michigan.gov/mshda/0,1607,7-141-8002_26576_26582-76409--,00.html
Utility Allowance: Enter the newly calculated utility allowance for the upcoming budget year.

Forms and Attachments

451A1 – Notice of Request to Increase Permissible Rents
451A2 – Notice of Request to Decrease Utility Allowances
451B – Utility Allowance Calculation Summary
451C1 – Owner Utility Cert for Sec 236
451C2 – Owner Utility Cert for Sec 8 or MSHDA
451D1 – Section 236 Rent Schedules
451D2 – Section 8 Rent Schedules
451D3 – MSHDA Programs Rent Schedules

Attachment

451 Attachment 1 – Example of Authorization to Release Utility Data

Authorization to Release Utility Data

I, _____, a resident of *[Development Name]*, give my permission for the electric and/or gas company to release billing and consumption data on my account to _____, the Management Company of this development.

I understand that neither party will be charged for this information or service. This information is necessary in order for management to determine whether utility allowances deducted from rent are adequate.

Address:

Account Number:

Date:

Signature:

UTILITY ALLOWANCE CALCULATION SUMMARY

Development Name: **CAPITOL COMMONS II** MSHDA #: **749** County: **Ingham**

Management Company: **First Housing Corporation** Budget Year: **2012**

MSHDA Program: **80/20**

Name of Electric Co.: **Consumers Energy** Name of Gas Co.: **Consumers Energy**

Elec. Rate: **\$0.13** Service Chg.: **\$8.50** Gas Rate: **\$0.96** Commodity Chg.: **\$10.50**

12-month Sample Period: **8-1-10 to 7-31-11** Effective Date: **January 1, 2012**

A. 25% Sampling for each BR size (see comment)				
Unit type		Number of Units	25% of Total Units	Average \$/unit/month
Studio	F			
	E			
1 BR	F	10	5	107.0000
	E			
2 BR Apt	F			
	E			
2 BR TH	F			
	E			
3 BR Apt	F			
	E			
3 BR TH	F			
	E			
4 BR TH	F			
	E			
Other	F			
	E			
Other	F			
	E			

B. 25% Sampling for each BR size (see comment)				
Unit type		Number of Units	25% of Total Units	Average \$/unit/month
Studio	F			
	E			
1 BR	F	50	13	19.0000
	E			
2 BR Apt	F			
	E			
2 BR TH	F			
	E			
3 BR Apt	F			
	E			
3 BR TH	F			
	E			
4 BR TH	F			
	E			
Other	F			
	E			
Other	F			
	E			

UTILITY ALLOWANCE CALCULATION - ADJUSTMENTS

Based upon the utility allowance information provided on this form, the following adjustments have been made to the utility allowances:

Unit type		CURRENT UTILITY ALLOWANCE	ADJUSTMENTS (+ OR -)	% CHANGE	CALCULATED UTILITY ALLOWANCE	PROPOSED UTILITY ALLOWANCE Section 8 & 236	PROPOSED UTILITY ALLOWANCE MSHDA Programs
Studio	F	500	-500	100%			
	E						
1 BR	F		126		126.0000	126	126.0000
	E						
2 BR Apt	F						
	E						
2 BR TH	F						
	E						
3 BR Apt	F						
	E						
3 BR TH	F						
	E						
4 BR TH	F						
	E						
Other	F						
	E						
Other	F						
	E						

OWNER UTILITY CERTIFICATION TO MSHDA FOR SECTION 236 DEVELOPMENTS

RENT INCREASE EFFECTIVE: January 1, 2012
MSHDA #: 749 DEVELOPMENT NAME: CAPITOL COMMONS II
HUD PROJECT #:
LOCATION:

Acting on behalf of , the development owner, I certify that development management has taken ALL of the actions listed below

1. Distributed a Notice to Tenants, in the forms and manner required by 24 CFR 245.310 and 245.410. **(24 CFR 245.410 applies only if a reduction in utility allowances is proposed.)**
2. Took reasonable steps to assure that any posted notices remained intact and in legible form for the full comment period required by 24 CFR 245.
3. Made all materials submitted to justify the increase available during normal business hours in a place reasonably convenient to development residents.
4. Honored any resident's request to inspect those materials.
5. Reviewed and evaluated all comments received from development residents or their authorized representatives.
6. Examined all materials submitted to MSHDA in support of the rent increase request.

I also certify, that all information submitted with my rent increase request is true, correct and complete.

WARNING:

- 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department of agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than 5 years, or both.

Signed by:

Name

Title

Signature

Date
(Must be 30 days after Posting Letter date.)

OWNER UTILITY CERTIFICATION TO MSHDA FOR SECTION 8 OR MSHDA FINANCED DEVELOPMENTS

RENT INCREASE EFFECTIVE: January 1, 2012

DEVELOPMENT NAME: CAPITOL COMMONS II MSHDA #: 749

HUD PROJECT #:

LOCATION:

Acting on behalf of the development owner, I certify that the development's management agent has taken the following actions:

- Collected and analyzed a 25% sampling of gas and/or electric billing and consumption data.
- Retained the gas and/or electric billing and consumption data at the development.
- Agree to notify affected residents 30 days prior to any rent increase when the proposed utility allowance amounts below indicates utility allowances have decreased from the current utility allowances.

Based on the sampling, the proposed utility allowances are effective January 1, 2012 are:

UNIT TYPE		CURRENT UTILITY ALLOWANCES	PROPOSED UTILITY ALLOWANCES
Studios	F		
	E		
1 BR	F	\$120	\$126
	E		
2 BR Apt	F		
	E		
2 BR TH	F		
	E		
3 BR Apt	F		
	E		
3 BR TH	F		
	E		
4 BR TH	F		
	E		
Other	F		
	E		
Other	F		
	E		

Signed by:

Name

Title

Signature

Date

UTILITY SELF CERTIFICATION TO MSHDA FOR SECTION 8 DEVELOPMENTS

RENT INCREASE EFFECTIVE: January 1, 2012
MSHDA #: 749 DEVELOPMENT NAME: CAPITOL COMMONS II
HUD PROJECT #:
LOCATION:

Acting on behalf of the development owner, we certify that the development's management agent has collected and analyzed a 25% sampling of the gas and/or electric utility data for each unit type. Based on the recently conducted utility analysis, we certify that the utility allowances are not changing by more than 10%.

Signed by:

Name

Title

Signature

Date

2012 SECTION 236 RENT SCHEDULE

Development	CAPITOL COMMONS II
MSHDA #	749
County	Ingham
MSHDA Asset Mgr.	Miller, Todd
Management Company	First Housing Corporation
# Family Units	144
# Elderly Units	
Total Units	144
Total ACC Units	

Section 236 Type	
HUD Contract Project #	
Owner	
Rent Effective Date	
	\$1,000

[illegible]

Asset Manager Signature

Date _____

2012 SECTION 8 RENT SCHEDULE

Development	CAPITOL COMMONS II
MSHDA #	749
County	Ingham
MSHDA Asset Mgr.	Miller, Todd
Management Company	First Housing Corporation
# Family Units	144
# Elderly Units	
Total Units	144
Total ACC Units	

Section 8 Type	
HUD Project #	
Owner	
Utility Allowance Eff. Date:	
Contract Rent Eff. Date:	
HAP Anniversary Date:	
HAP Contract Expiration Date:	

[illegible]

Quality Assurance Analyst

Date

Asset Manager Reviewed _____
Initials

Date _____

[illegible]

Asset Manager Signature

Date

2012 RENT SCHEDULE FOR MSHDA PROGRAMS

Development	CAPITOL COMMONS II
MSHDA #	749
County	Ingham
MSHDA Asset Mgr.	Miller, Todd
# Family Units	144
# Elderly Units	
Total Units	144

Program	80/20
Management Co.	First Housing Corporation
Rent Effective Date	January 1, 2012
Rent Restriction (based on # in household)	
Rent Restriction (based on 1.5 per bdrm)	

[illegible]

[illegible]

* Maximum Allowable Rent = Maximum County Gross Rent Minus Utility Allowance

\$1,345,320

Asset Manager